

Exhibit 31

From: Shepherd, Dr. Thomas
To: 'Smith, Virginia A'; St. James, John
Cc: Webster, David; 'Gunst, Richard'; Perri, Dr.Nancy
Sent: Thursday, December 21, 2006 8:05 AM
Subject: RE: Caritas - cooperative agreement for clinical clerkships

Attachments: Final Revised AFFILIATION AGREEMENT BETWEEN CARITAS AND ROSS 2006-12-19.doc



Virginia,

I am attaching the new agreement forwarded to us prior to them seeing your revisions. In comparing the original document and the current document, there are no real changes except Exhibit A.

I will be drafting a cover memo explaining why this is a commercially reasonable arrangement, but in the meantime, we need to markup the new attached with your previously submitted revisions, with the following proposed changes to your revisions:

Initial paragraph: take out your note. I will answer in my memo.

Sec 1.1 take out "but no new students will be accepted."

Sec 3.1 (in original draft) Leave this paragraph in - it is required by accreditation. If you wish to have statement that they are not our "employees" that is fine, but they have to be faculty, adjunct or otherwise, to Ross.

Sec 3.4 Take out note. Yes, we provide insurance for students. You can add in that we need to see their insurance coverage when requested.

Please also note that Exhibit A has been modified - we will receive interest (LIBOR + 1%) for the unamortized amount and the elective clerkships have been changed to 50. The library and secretarial support will have to remain.

I will need this today. You have already done most of the work. Please advise.

Thank you for your input.

Tom

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President

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From: Smith, Virginia A [mailto:vsmith@devry.com]
Sent: Friday, December 15, 2006 12:28 PM
To: St. James, John
Cc: Shepherd, Dr. Thomas; Webster, David; Gunst, Richard
Subject: Caritas - cooperative agreement for clinical clerkships

John,

Attached is a revised draft of the above-referenced agreement, redlined to indicate the changes I am recommending to the agreement and certain questions raised by some of its terms.

As we discussed during our telephone call this morning, I am particularly concerned about the funding arrangement with the hospitals. According to the agreement, Ross is expected to

- Pay \$5 million USD in advance for all of the clerkships to be provided during the 4 year term of the agreement
- Make semi-annual payments of \$10,000 to support the hospitals' library facilities, each year for 4 years
- Make undetermined payments to support secretarial functions, each year for 4 years

In my opinion, this is not a commercially reasonable arrangement. Payment for the clerkships should be on a pre-arranged schedule or according to milestones. To pay the entire amount in advance exposes DeVry in the event the hospitals suffer a financial reversal, or are otherwise unable to provide the services.

You have indicated that the hospitals require the \$5 million to improve their current facilities. This is not a sound basis for the arrangement, and DeVry is not a banker. If the hospitals are unable to arrange for independent financing for their own facilities, this only underscores the need for DeVry to be cautious in its financial arrangements with them.

Furthermore, the library and the secretarial services should be part of the overhead included within the fees charged for the clerkships. Why are they set out separately? What controls does DeVry have over getting value for the funds expended?

Finally, you have advised me that this document does not represent what you thought was the agreement with the hospitals. Please let me know if you are presented with a new document, or whether you wish to proceed with this document. We can make additional changes once we have more information. I could then prepare a draft, suitable for review by the hospitals.

Regards,

Virginia A. Smith
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AFFILIATION AGREEMENT BETWEEN

**ROSS UNIVERSITY SCHOOL OF MEDICINE
Portsmouth, Dominica**

And

**CARITAS HEALTHCARE PLANNING, INC.
374 Stockholm Street, Brooklyn, New York 11237**

Ross University and Caritas Healthcare Planning, Inc., which operates Mary Immaculate Hospital and Saint John's Queens Hospital in New York ("Caritas " or "the Hospitals"), (collectively "the Parties"), hereby agree to conduct structured core, required and elective clinical clerkships for the University's medical students at the Hospitals according to the terms and conditions set out below.

SECTION I

The parties agree:

1. That this agreement will commence January 1st, 2007 and will continue until December 31st, 2010. It may be earlier terminated by either party only for material breach of this agreement, remaining un-remedied for thirty days after notice of such breach, and only after notice of intention to terminate this agreement has been given to the other party in writing. In event of such termination, the students who have commenced clerkships at the Hospitals will be allowed to complete their scheduled clerkships.
2. The Hospitals acknowledge that they have received and reviewed the University's Clinical Curriculum Guide (incorporated into this agreement by reference) and agree to provide clinical medical education consistent therewith, as a minimum standard.
3. After considering the number of qualified University medical students, the number of clinical faculty in various disciplines at the Hospitals, the availability of relevant patient populations, and the total number of clerkships to be apportioned between the medical schools affiliated with the Hospitals, the parties have agreed that the hospital shall provide the clerkships set forth in Exhibit A.

4. The provisions of this Agreement shall be construed and interpreted and all rights and obligations hereunder determined in accordance with New York law. Parties consent that jurisdiction and venue of any dispute arising from this Agreement shall be in Kings County, New York.

SECTION II

THE HOSPITALS AGREE:

1. To permit students of the University appropriate access to patients in the Hospitals while they are formally enrolled in clerkships.
2. To provide appropriate clinical supervision and training of University students, including their performance of relevant clinical procedures, while taking core clerkships in Internal Medicine, Surgery, Obstetrics & Gynecology, Psychiatry, and Family Medicine as well as elective rotations at the Hospitals. The parties may agree to add or delete elective clerkships from time to time in writing during the term of this agreement.
3. To inform the appropriate officials of the University, in a timely and confidential manner, of any substantially inappropriate behavior on the part of any student, which may indicate the need for sustained counseling or correction.
4. To provide students with appropriate and timely counsel/feedback/notification, approximately every three weeks, concerning performance and behavior in relation to their assigned rotation.
5. To submit, in a timely and appropriate manner, a written Clinical Evaluation on each student at the completion of clerkships by the supervising physician, and where appropriate countersigned by the Director of Undergraduate Medical Education, which shall be delivered to the University within six weeks of completion of the clerkship.
6. To provide to the University accurate and contemporary data concerning student clinical activities. Documentation will include patient census (i.e. average daily census) for each course area of clinical instruction.
7. To make available the following health services to the University's students while they are assigned to clerkships at the Hospitals – provided that the usual fees and costs for such services shall be paid by the students:
 - a. Medical referrals through the Hospitals' Employee Health Services
 - b. Emergency services provided by the Emergency Department; and
 - c. Basic health services as required by regulatory agencies from time to time.

8. To provide the following support services to the University's students while they are assigned to clerkships at the Hospitals:
 - a. Housing referrals, if available;
 - b. Computer access, if available;
 - c. Medical library access, if available; and
 - d. In house accommodations for on-call personnel, including call rooms, shared lockers as available, dietary, uniform and linen services.
9. To will afford University a right of first refusal as to half of all new core clerkships slots developed by the Hospitals provided however, that the Hospitals will not hold any new slots empty unless prepayment has been made.

SECTION III

THE UNIVERSITY AGREES:

1. With the advice and counsel of the Hospitals, to offer and confer a faculty academic appointment upon all hospital teaching faculty. This appointment shall be at least an adjunct clinical appointment at the University.
2. In a timely manner, to inform the Hospitals of any substantive changes in its Clinical Curriculum Guide.
3. To appoint for clinical clerkship only those students who have satisfied all academic requirements in the pre-clinical sciences and who are qualified to begin their clinical clerkship experiences.
4. To state as its policy that the Hospital Medical Director shall have the authority to immediately suspend any student of the University, whose behavior is sufficiently inappropriate to warrant this action.
5. To provide appropriate malpractice coverage (one million /three million minimum limits) and confirmation of health insurance for all students of the University while they are formally enrolled in clerkships at the hospital.
6. To provide medical library and secretarial support set forth in Exhibit A.
7. To require each student, prior to commencing of the clinical experience, to provide results to the Hospital of physical examination which complies with the requirements of section 405.3 of the New York Code of Rules and Regulations. All clinical clerks will be offered by the University the opportunity the opportunity to receive a Hepatitis B vaccination. In addition, all clinical clerks will have completed the OSHA Bloodborne Pathogens Workshop prior to beginning clerkships.

8. In the event of impending bankruptcy the Hospitals will give to the University such notice as they are legally permitted to provide.
9. In the event that the Hospitals are unable to accept the specified number of students, as set forth in exhibit A, for the core or elective rotations, the Hospital will refund to the University that portion of the prepayment funds which have not then been earned.

THIS AGREEMENT IS SIGNED AND DATED AS FOLLOWS:

On behalf of **CARITAS HEALTHCARE PLANNING INC.:**

Harold McDonald, Chief Administrative Officer

Date

Neal Mandava, M.D., Chief Medical Officer

Date

On Behalf of **ROSS UNIVERSITY SCHOOL OF MEDICINE:**

Nancy Perri, M.D., Vice President, Academic Affairs

Date

John St. James, Chief Financial Officer

Date

EXHIBIT A

This exhibit sets forth the financial terms of the above contract, whereby Ross University School of Medicine hereby agrees that it will pay Caritas Healthcare Planning, Inc.:

- a. \$5,000,000 US Dollars on or before December 27, 2006
- b. Ross will pay on a service performed basis once the \$5,000,000 in prepayment is amortized.

The above amount is pre-payment for core clerkship weeks, calculated at a rate of \$312.50 per week, at Mary Immaculate Hospital and Saint John's Queens Hospital, for a total of sixteen thousand (16,000) instructional weeks. During the term of this agreement, Ross University is minimally guaranteed and allocated the following core clerkship slots totaling 50 slots:

Surgery	16
Medicine	20
Ob/Gyn	8
Family Medicine	6

A minimum guarantee of fifty (50) elective clerkship slots will also be provided during the term of the agreement which will be negotiated separately.

The clerkship rate is locked in for four years from the date of the agreement.

The University will provide to the Hospital, annual library support of \$10,000.00 paid semi-annually.

The University also agrees that it will pay the Hospitals for secretarial support required to implement this Agreement. The amount to be paid by the University to the Hospitals for secretarial support will be determined by the parties, based upon the size of the student program. In no event shall the amount paid by the University to the Hospitals for secretarial support for any given year be less than \$36,000.00, so long as the Hospitals provide at least (50) core clerkship positions for the University's students.

The University will earn interest at a rate of LIBOR + 1% per annum calculated on the unamortized amount of prepayment.